GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Finance Department – Andhra Pradesh General Insurance Corporation –Schedule of Capital infusion Plan for maintaining required solvency margin - Orders - Issued.

FINANCE (ADMN.III-DI&DSA) DEPARTMENT

G.O.Ms.No.174

Dated: 13.07.2022
Read the following:

1. G.O.Ms.No.157 of Finance (ADMN.III (D.I&DSA)) Dept., Dt. 20.12.2019
2. GO Ms.No.73 of Finance (ADMN.III (D.I&DSA)) Dept., Dt. 14.09.2021.
3. MAU65-ADHR0OTHR/52/2022-ACCTS (Comp.No.1750983) of the MD&CEO,APGICL.
4. Email received from the MD&CEO,APGICL,dt:30-06-2022.

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ORDER:

In the reference 1st read above, Government had initiated the setting up of Andhra Pradesh General Insurance Corporation Limited (APGICL) with a paid-up capital of Rs. 100 Crores. The APGICL was incorporated on 07.06.2020 and the process for registration with Insurance Regulatory and Development Authority of India(IRDAI) was initiated.

2. In the reference 2nd read above, Government have issued orders as here under:

I. APGICL shall, at all times, maintain the required solvency margin as stipulated by IRDAI.

II. In any foreseen or unforeseen circumstances such as adverse crop seasons, upon the Breach of Internal (Benchmark) Solvency Margin of 1.55, APGICL should seek and obtain required capital infusion from Government of Andhra Pradesh (sole promoter) in order to avoid breach of required solvency margin as stipulated by IRDAI.

III. Additional infusion of capital to an extent of Rs.24 Crores towards maintaining Internal Solvency Margin of 1.55 in Base Case stress scenario for first year of operations, as projected, will be made available to the Corporation upon approval of its Form R1 by IRDAI.

3. In the reference the 3rd read above, the MD&CEO,APGICL,AP has stated that the modifications in the revised Capital Infusion Plan were submitted to IRDAI for their onward processing of the APGICL's applications for registration and requested the Government for issuance of orders which conveys the commitment of the GoAP (as a sole promoter of APGICL) in compliance with the latest revision in Capital Infusion Plan submitted to IRDAI.

4. Government, after careful consideration of the request of the MD&CEO,APGICL, hereby issue the following revised schedule for Capital Infusion Plan of APGICL for maintaining required Solvency Margin at all times:

(Rs in Crores)

Year of Operations	Year 1	Year2	Year 3	Year4	Year5	Total
Capital to be Infused	275	100	75	50	NIL	500

5. The MD&CEO,APGICL shall take further necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr. K.V.V. SATYANARAYANA
SECRETARY TO GOVERNMENT

To
The Managing Director and Chief Executive Officer,
A. P, General Insurance Corporation Limited,Vijayawada.
Copy to
The Director of Insurance, A.P, Ibrahimpatnam.
SC/SFs(1508920)

// FORWARDED:: BY ORDER//

SECTION OFFICER